

Meeting is called to order, Chief Warren points out emergency exits, and John Cook leads Pledge of Allegiance. Roll Call is taken. Board members present, John Cook, John D’Onofrio, Frank Palin, Sam Rachiele, and Brenda Raposo. Others in attendance, Board Attorney Tim Williamson and Board Treasurer Dave Krekorian.

John D’Onofrio makes a motion to move to executive session reason: Pursuant to RIGL 42-46-5

A. Pursuant to RIGL 42-46-5 (a) (2) Sessions pertaining to collective bargaining and litigation

Motion is seconded by Brenda Raposo, all in favor, motion passes.

Move to executive session.

Frank Palin moves back into open session. John Cook makes a motion to seal the minutes from the executive session, seconded by John D’Onofrio, all in favor, motion passes. There were no votes taken.

Reconvene Public Session.

Comment [CFTC1]:

Agenda Item 6. A. Claims

Tim Williamson: Pending status

National Grid – documents received, John D’Onofrio has been in contact- discussions of possible payment plan.

Jean Lukowicz vs. District as it relates to her file with the Dept of Labor.

John D’Onofrio reviews National Grid Claims:

Package received containing audit requested by Chair. \$3975.00 additional cost per year for audit. Outstanding balance due National Grid is \$156,000.00 to date. Notice on letter to contact to discuss payment plan. Good news, won’t all be due this year. Payment schedule not determined yet, they have worked with the District in the past. John will discuss ways to save on lighting later this evening.

6. B. Litigation – Tim Williamson

1. Interest arbitration with local 3372 as it relates to contract negotiations for the next contract session. This is for the next collective bargaining cycle. We are at impasse, so it was agreed mutually to go to interest arbitration and hopefully resolve it prior to the arbitration date which is sometime in December. A lot of this is banked upon what we can do as far as this year, fiscal year. Union has selected their arbitrator, we will be selecting ours, which will be a 3 member panel.

2. Kent County Water Authority is in discovery, responding to request for documents due mid-August. Tim Williamson to keep Board advised. Tim has had a meeting with Atty. Patrick Sullivan as it relates to the Kent County Water Authority, tempting to negotiate repaying money owed to them. Unofficially they are looking for payback within one year, Mr. Williamson is seeking 5 years.

6. C. Treasurers Report. – Dave Krekorian

As of July 31st District had \$140,000.00 in cash. Next payroll due Friday 8/7/15. Approx. \$55,000.00. Following Payroll 08/21/15, approx. \$55,000.00 as well. Blue Cross for month of August, \$24,000.00 due. Retirement plan, approx. \$20,000.00 due 8/15/15. Still owe retirement plan from 7/15/15 approx. \$17,000.00. Accounts payable (excluding Kent Country Water at \$135,000.00 and National Grid at approx. \$165,000.00) approx. \$125,000.00.

Collections for July this year were at \$246,000.00 vs LY of \$148,000.00. Aug. 2014 collections were \$228,000.00, not sure what collections for Aug 2015 will bring. Year to date collections running in line with last

year in relation to the budget. Collections for the rest of the year, receivables as of July 31, 2015 are \$674,000.00 vs LY of \$990,000.00. Each year, over the last three years, District has had approx. \$400,000.00 in unpaid taxes, this year may be less. Dave Krekorian is projecting receipts of approx. \$400,000.00 before the end of fiscal year, with a receivable balance left of \$279,000.00 which is about \$120,000.00 less than it has ever been before. Dave states we are collecting old receivables and we are getting a little better rate for this year's receivables and thanks everyone that has paid as it does allow the district more breathing room. Dave states the District is not out of the woods, and is doubtful that the District will make it through the end of the year, however this does extend it. Upon the end of fiscal year, David predicts a \$120,000.00 shortfall for December.

David has provided the Board with rescue run history comparison. This year vs. last year it is running about the same, approx. \$25,000.00 per month of which the district pays a 6% fee. Cash flow projection through November, assuming \$395,000.00 in collections, bills run approximately \$200,000.00 per month, we're not going to make it states Dave. We are going to have a projected cash shortage of \$230,000.00 through Nov. 30 2015. John D'Onofrio confirms Mr. Krekorians projected fiscal 2015 deficit of \$250,000.00. Frank Palin asks Dave Krekorian for his projected payroll expenses through the rest of the fiscal year, if there were no changes. Mr. Krekorians response is approx. \$675,000.00. Frank Palin asks how much is anticipated in collections, response is approx. \$400,000.00. Frank Palin asks if that will leave the District 5 payroll periods (10 weeks) short if we pay nothing else. David Krekorian agrees, roughly yes, but factoring cash on hand presently. Looking ahead January payables total \$800,000.00, not including the line of credit. David says, depending on how payments will be arranged for Kent County Water and National Grid, this will affect the tax levy. John D'Onofrio states that we also don't know the impact if any, of a new CBA.

John Cook asks Chief Warren about new construction on Rawlinson Drive. Chief explains new construction takes a year to catch up in taxes. Contractors put hydrants in and charge the District usage fees. John D'Onofrio adds that the District can expect about \$8,000.00 more in tax revenue from the Anthony Mills next year as the assessment starts to go up in 2016. This amount will double in 2017. 2018 will bring full assessment value from the Anthony Mills.

David Krekorian states that at some point the new budget needs to be worked on and would like to have a committee and asks for volunteers.

6. D. I. Expenses

ii. Revenues

John D'Onofrio passes out a handout. John states that he believes strongly that part of the reason for the \$230,000.00 deficit is because the District cut taxes. Mr. D'Onofrio states he did some research. RI General Law 45-12-22.5 states a municipality shall not incur expenditures nor obligate the municipality to expend unbudgeted amounts in excess of \$100,000.00 without first notifying the city or town council of such proposed expenditures and identifying the source of funding. So basically, John continues, we broke the law. The district passed a budget that was underfunded by more than \$100,000.00 without explaining how we are going to cover it. For those who say this only applies to municipalities, in 1980, municipalities shall mean any town or city in the State of Rhode Island AND the Coventry Fire District. We are a municipality, Mr. D'Onofrio states. John D'Onofrio moves that the Board votes to reinstate the cuts, based on the fact that it broke the law, seconded by John Cook.

Frank Palin asks Tim Williamson to address this.

Tim states that unfunded expenditures and a lot communities and municipalities have run into this in the past, especially when dealing with litigation about school committees. There is simply no penalty. While that law is intended to make everyone fly right, there is no penalty. Tim states there is a discrepancy as it relates to the term

municipality as the District cannot notify the city or town council. Tim reads a separate act. It is unclear as to whether or not indebtedness of towns and cities deals with fire districts as fire districts are not clearly defined in this portion. However even if they were a technical violation of the law, there is no penalty involved. John D'Onofrio States if the FSA is invoked there will be a big penalty, a million dollar penalty.

Frank asks Mr. Williamson for a ruling on John D'Onofrios motion to reinstate the budget that was made in December as a Board decision.

Mr. Williamson rules the motion out of order as there is no notice per the agenda that a request is being made to reinstate a tax cut that was legally made back in December.

iii. Layoffs

Frank Palin states he will accept at this time a motion to lay off all Union fire fighters effective immediately. Frank Palin asks for a motion to that effect. No motion made. Frank asks if it is the Boards choice to run out of money. John D'Onofrio states it is not the Boards choice to run out of money.

6. E. Fiscal 2016 Budget-Dave Krekorian

Once again Dave Krekorian asks for volunteers. John D'Onofrio states he will volunteer. Taxpayers welcome to volunteer.

6. F. Gamelin letter- Tim Williamson

Tim states on July 21st 2015 he was hand delivered the original letter along with all the names of people who signed the petition. Tim has searched the Charter, the Statute, article 4 of the Constitution, section 1 and article 13 of the Home Rule Charter. Tim states there is no language at all that provides for the recall of any elected official in this district. Furthermore Tim went to Federal 4518, Federal 2337 and Title 44569 as it relates to the definition of fire companies and whether or not there was anything in the Statute that would allow for a recall, and mostly what he has come up with is that in the last couple of years, cities and towns, no fire districts, have specifically gone back to the voter to amend their charter to allow for a recall provision. Tim gives examples. There is nothing in the Town of Coventry's Charter or any case law that he has reviewed, or any statutory authority in Rhode Island Constitution that would allow for a recall of any member. Tim states he will be filing this up with a written explanation so there will be a written opinion that will be made public, Tim hopes to have that out by Friday of this week, 08/07/2015.

John D'Onofrio, in review of the bylaws, asks for clarification as to why this is even on the agenda. He states this is not the Boards meeting taxpayers are calling for it, it is a taxpayers meeting. The clerk has to call the meeting, per the bylaws states it has nothing to do with the Board. John reads from the bylaw "Special meeting of the Coventry Fire District shall be called by the clerk of said district upon written request of 80 qualified electorate of district or by the Board of Directors". It doesn't say the board of directors calls the meeting, the clerk calls it. John says he is not sure why the board is even discussing this.

Tim states it is on the agenda because we received a letter from a group of people that want something done. John D'Onofrio states they are not asking us they are asking the clerk to post it. Frank Palin states that Mr.

Williamson represents the clerk also. Mr. Gamelin offers his email to Mr. Williamson and request a copy of his opinion. John D'Onofrio asks where it says in the bylaws that this board can stop taxpayers from calling a special meeting with their 80 signatures.

Tim Williamson asks for a moment from the Chair, it is granted.

Tim begins, section 2, subsection C, states what the Boards scope of work is, duty and obligation. When this comes before the Board, the Board in charge of the clerk, the clerk cannot have a meeting when it is not legal. Tim continues that since there is no provision to allow for a recall, they can't have a meeting. John states it doesn't say they can't have a recall either. Mr. Williamson asks Mr. Gamelin "when was the last time the Board called a meeting to recall"? Mr. Gamelin responds there was no reason in the past to do it. Mr. Gamelin asks if he will have a copy of Mr. Williamson's opinion on Friday, Tim responds he doesn't know. Mr. Gamelin asks if Tim's opinion has been recorded in the minutes, Frank Palin responds that it has. Mr. Gamelin request a copy, Frank responds as soon as the minutes are prepared.

John Cook asks to go on record that he supports John D'Onofrio in his request that according to the bylaws, and his understanding, that the taxpayers did ask for a special meeting and that the district should honor it and asks that the clerk call said meeting. "So noted" states Frank Palin. John D'Onofrio makes a motion that the Board request the clerk to call said meeting. Seconded by John Cook.

Frank Palin states that once again he thinks it's out of order because it's an illegal motion.

Mr. Williamson states there is no agenda item as it relates to regarding a motion to calling a meeting.

John D'Onofrio states that he sees nothing in Mr. Williamson's opinion that the taxpayers can't have their meeting.

John Cook references agenda item 6 and how it reads: Open Session (Discussion and / or Discussion/Action) John states we're asking for action, we're asking the public be granted their special meeting.

Frank reiterates Mr. Williamson's opinion that it is an illegal meeting. Frank states that if Mr. Gamelin and his group would like to retain council, and go to court to force this.

A discussion takes place as it relates to bylaws and procedures to recall and elected official.

Frank states he thinks the motion and the question are out of order and moves to the next agenda item.

6. G. Fiscal Stability Act Status- Tim Williamson.

H. Division of Revenue letter / Coventry response

I. Councilman Laboissoniere's Study Commission

Tim states the Acting Director of the Department of Revenue sent a letter that basically said given the vote to dissolve the Coventry Fire District and because fire protection / rescue services are fundamentally municipal services. The Department of Revenue is operating under the premise that the Town of Coventry, will assume responsibility for the safety and wellbeing of its residents. We fully expect the Town to take the necessary steps to ensure that it will be able to provide fire protection services to the are covered by the Coventry Fire District, in the event that the district suspends its operations. The department stands ready to assist the Town of Coventry under the Fiscal Stability Act. However as is clear all municipal and fire district obligations remain local obligations and any and all costs incurred pursuant to the case involvement, under the FSA, become obligations that must be paid by the locality. Later on that day, Coventry Town Manager Tom Hoover responded by saying that the Town of Coventry will not be assuming any responsibility for the Coventry Fire District. This subsequently led to Councilman Laboissoniere discussed the creation of a body to discuss a town wide fire district. So at least the Town of

Coventry started discussing a town wide fire district. Tim suggestion is that two members of the Coventry Fire District Board be on this commission. John Cook states that he had received a call from a town council person who stated they were blindsided by Mr. Laboissonnieres discussion and this is not to discuss a municipal fire district, it is to get a statement of stability of the different districts. John Cook ask for clarification from any town council members who may be present. Coventry Town Council member Tammy Duxbury is present and states it is now a study. It is a group of people that will be appointed to answer questions that will be pertinent to either one district or a municipal fire district. The commission will not make any recommendations nor would they entertain an idea of whether or not the Town should pursue one municipal department or fire district. Ms. Duxbury states she has suggested to Mr. Laboissonniere that this commission start with the questions that she has put in an editorial opinion in the Kent County Times. Tim continues that the Town of Coventry response is basically the Division of Revenues opinion isn't worth the paper it's written on. As the taxing entity for the District Tim finds it odd that the District has not received a letter from the Department of Revenue, given the fact that Tim himself along with Dave Krekorian and John D'Onofrio, met with members of the Division of Revenue back May of 2015. As to whether anything will come from the study, that remains to be seen and Tim suggest if there is to be a study, a member or two from the Board possibly be on it to discuss issues facing the Coventry Fire District.

Frank Palin asks Tim Williamson to address the Central Coventry Bankruptcy Court Judges opinion about the receiver and taxing authority. The preliminary opinion that is subject to appeal, the judge indicated that receiver had no authority to tax. Two outstanding claims, one from the Town of Coventry and not sure of second, but that matter that was supposed to have been resolved two months ago, is still pending. There are still some issues as it relates to purported agreements between the labor union and the receiver. The outstanding claim is that the Town of Coventry has not been paid.

6. J. Dissolution Timetable

Frank asks the Board to table this for the moment. John D'Onofrio makes the motion to table this agenda item, seconded by John Cook. All in favor, motion passes.

6. K. National Grid inquiry- John D'Onofrio

John is still working with Marisa Albanese who is still working on some figures as they relate to turning off streetlights. John speaks of the PRISM program which may be a better alternative. This is something that came from new state laws that were passed. It was determined that all municipalities that receive bills from National Grid appear to be high. John has a meeting set up with Tom Goetz, President of PRISM and who is also the president of Charlestown Town Council. Basically the way it works is you buy back the streetlights, and then rather than paying National Grid \$95 per light to maintain them, you pay a service through PRISM and pay \$25 per streetlight to maintain them. Based on information presented to the Town of Burrville, to buy the lights it would be \$21.45 per light. Coventry Fire District has 968 streetlights. The cost to buy the lights would be \$20,800.00 to buy those lights. However, the savings would be \$67,000.00 per year. Other savings could be possible by switching to led lights. More information coming, better alternative to shutting off lights. District still owes National Grid money so they are not willing at this point to incur any more expenses on our part, to remove lights, till past due bills are paid.

6. L. Collective Bargaining Status – Tim Williamson

Continued meetings with David Gorman, eventually there will be a dollar amount that the Board will ask for certain terms and conditions. MOU's on the table have now been filed as grievances. It is now just a question of

running out of time in this fiscal year starting to get ready for next fiscal year and where the district is regarding its revenues and payables.

Frank asks to change the agenda to hear from Chief Warren as it relates to equipment that is for sale, also to get a request for proposals from various real estate agents to sell the land that the District owns. Frank asks for a motion to that effect. Tim Williamson states an agenda change is not necessary as it relates to agenda Item 6.d.ii- Revenues

Chief Warren States there are two offers for the 2001 pickup truck, one for \$700.00 the other for \$1350.00. Town of Johnston Mayor Joseph Polisenia is with finance director regarding former Chief's vehicle. There are a couple of bids for the older generators for \$50.00 each. Reserve engine, a bid for \$5,100.00. (78 maxim) John Cook states that he would like Lt. Carlow to look into maybe getting a better offer on that. Orange Generator \$300.00 offer. One more interest in Chiefs Vehicle. Online Auctions mentioned. A motion is made by John D'Onofrio to have Brenda Raposo look at some auction systems. Seconded by John Cook. All in favor, motion passes.

6. M. Auditor – Frank Palin

Frank is willing to accept a motion to request for proposals for an auditor to look at the books, as required by law. Sam Rachiele makes the motion, seconded by John D'Onofrio, all in favor, motion passes

Frank asks for a chair to locate an auditor. Brenda Raposo volunteers.

6. N. Rescue Recovery Report- John Cook

John Cook has spoken to Charlie Vernon, a name given to him by Mr. D'Onofrio, who is out looking for some preliminary findings and states he is within one week of having some options to present. John D'Onofrio has also spoken to Mr. Vernon. Mr. Vernon says he needs to know who is doing the rescue recovery at this time. Mr. Vernon will do an audit and has done some work with the Bristol Fire District and believes he can find Coventry Fire District quite a bit of money. John Cook will call him again in the morning.

Dave Krekorian advises to get a complete profile from any vendors that the Board may solicit from, to be assured of what is being purchased.

6. O Public Comment

Karen Carlson from the Coventry Town Council District 1, of 422 Waterman Hill Road states the FSA requires that the fire districts supply the town council with quarterly financial reports. Karen states the town council receives these reports from Hopkins Hill and Western Coventry but have never gotten one from Anthony and asks if there is a reason.

Frank Palin states he is not aware of it and asks Mr. Williamson who will research it. Dave Krekorian says he did submit an annual report to the state last year and have done the first quarter, second quarter is drafted just waiting for review with the chairman. David Krekorian was not aware the Coventry Town Council was to receive copies of these reports. John D'Onofrio states we are not in the FSA, Karen replies it doesn't matter. Frank Palin states he will have Mr. Williamson review the FSA and if what Karen Carlson says is true, reports will be sent asap.

Roland Gamelin of 10 White Rock Road addresses Mr. Williamson and states that in all his years of service he has never heard of an all-day referendum that was non-binding, and would like to know where that came from out of the by-laws. Mr. Williamson needs a moment to look for documentation. Will return to Mr. Gamelin.

Ray Budziak of 429 Fair View Ave is curious as to how the district is making out on the ladder truck. Chief Warren responds that the Board has approved payment for the repair, the technician is checking with Cummings to see if they will cover some of the cost, parts will be ordered this week to get this squared away. Ray suggests putting the truck up for auction, however this vehicle is leased and not owned by CFD.

Return to Mr. Gamelin- Mr. Williamson responds: Under the charter, the Board of Directors may call a special meeting for matters they deem necessary and expedient in the operation of the fire district, such special meeting shall follow the notice of requirements describe in the bylaws, part of the charter that was amended, also indicates the Board of Directors is hereby authorized and empowered to make and ordain, such ordinances not repugnant to law as deemed necessary to said district. Under the bylaws the Board of Directors may hold regular meetings and other special meetings at the call of the Chairman of the Board of Directors, they shall make rules and regulations not opposed to the laws of the State of Rhode Island and the ordinance of the town as they consider proper and necessary for the management of the department, the protection of its property and the promotion of its efficiency in preserving the district from damage due to fire emergency.

Dave Gorman of 24 Hornbeam Road thanks the Board for not laying people off. David mentions impact fees and how the District may benefit from it. David mentions increasing rescue recovery and asks about fire recovery.

John D'Onofrio asks for an additional Board member to join him for his meeting with Tom Goetz.

Frank Palin has a request for the Board, he request for someone to send letters for an RFP to various local real estate agents to get offers to sell land. Sam Rachiele offers. John D'Onofrio waiting for a call back from Jacob Peabody to see if property is landlocked.

Advice is given for auditor selection, Brenda Acknowledges.

Tony Raposo of 11 Birchwood Lane asks about National Grid audit and who performed it. It looks like it was done by National Grid. Tony asks if the PUC can do the audit. Tony asks if National Grid has answered the question as to who owns the lights, the answer is no. Frank states we are an electric light district and back around 1910 it clearly said the district owns the streetlights. The answer is still unclear. Switching to Kent County Water, as part of the discovery process Mr. Williamson did ask them to provide proof of ownership. Not yet provided. John D'Onofrio expresses concern over ownership of fire hydrants and water pipes, should there be a water main break, the district would be responsible.

John D'Onofrio makes a motion to adjourn, seconded by Brenda Raposo, all in favor, motion passes.

Meeting Adjourned

Respectfully Submitted

Robert Catalfamo

Tax Collector / Clerk

